

# Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

**Approved**

**December 18, 2012**

Attendees: John Borer, *PEHP*; Dave Jackson, *FirstWest Benefit Solutions*; Tomasz Serbinowski, *UID*; Jim Murray, *SelectHealth*; Perri Babalis, *Utah Attorney General*; Norm Thurston, *Governor's Office*; Patty Conner, *OCHS*; Sue Watson, *OCHS*; Jill Goodmansen, *OCHS*; Gabriela Benitez, *GBS Benefits*; Paul Anderton, *UID*; Nancy Askerlund, *UID*

Kim Miller, *UHC* (via telephone); Lincoln Neering, *Voices for Utah Children* (via telephone); Ann Ibrahim, *Regence* (via telephone); Don Garlitz, *bswift* (via telephone)

- I. Meeting called to order at 1:10 p.m.
- II. Prior months meeting minutes not approved as agenda was not posted and motion could not be passed.
- III. Patty Conner from OCHS gave an update regarding the Exchange – Dashboard information can be found at [www.avenueh.com](http://www.avenueh.com).
  - a. Exchange Statistics
    - i. Currently 333 groups for January 1 with about 2700 employees and about 4950 dependents. Had 65 groups of new business going through but only 19 or so joined. After rates were seen, the groups did not go through. FirstWest feedback, rates very competitive outside AvenueH. A lot of employers have been waiting to see how the political layout will play and if ACA is going to go through. Carriers on AvenueH have very similar rates but the non-participating carriers are the ones that are coming in competitively. Participating carriers are being affected inside and outside AvenueH. Messaging from the media and national level is making it difficult for groups to come in a program for 2014. More concerned with the groups that went through the entire process and why they are not coming through AvenueH. Need to see if the groups are leaving AvenueH due to other carriers or participating carriers. Did not lose a large percent of the renewal groups. February groups coming through not going as well as OCHS hoped.
  - b. Governor's letters and certification
    - i. Norm Thurston stated chain of letters sent from Governor Herbert to the Secretary. Governor and president had a discussion on Exchange in Utah. Governor brought up wanting more flexibility. Governor sent a letter to the President going over their conversation and stated they wanted people to enroll and be covered. Secretary stated they are in support of Utah's approach. Utah asked formally to accept Utah's version of a state based exchange. Patty sent the needed information to HHS who is currently reviewing the information. HHS is going back and forth with OCHS on questions and clarifications. There are 12 areas in which we have met or have not met the requirements. Next step is to get clarification on items Utah disagrees with them. Waiting on a response by January 1<sup>st</sup> to see if we

get full or conditional approval. More dialogue with HHS and come to an agreement with outstanding items. If additional information is needed, reach out to Patty. Risk adjustment in proposal – would love to do reinsurance flexibility. Regulation comments are due 12/26, but will be completing by 12/21/12. Will be responding back and encourage all to do the same. The Legislative workgroup has been working on draft legislation recently submitted. Draft approved by task force 12/17/2012, during meeting.

IV. John Borer with PEHP

a. Risk Adjustment & Premium Allocation subcommittee report

- i. Work group met twice since last meeting. Sent out a hand out including some recommendations. Going from common GRF to a group risk factor. This year there were some inconsistencies with the common GRF. Motion passed to develop own risk factor to determine rates. How are rates developed? How are renewals going to be handled going forward? How to go forward in risk adjustment allocation? Carriers all tentatively agreed to approve on document passed out. Carrier specific base rate X Carrier Specific GRF X 1/Carrier Specific GRF X Common IRF. Renewal for 2013. Each carrier has a subset of the group so carrier knows experience. Ask each carrier update IRF for each individual. PEHP will get all updated IRF and calculate GRF. Summarize GRF and send to carriers. Carriers will then develop own GRF and will develop rates. Carriers send directly to vendors the updated GRF and rates. Other employees at each carrier will need to review. Anne Ibrahim brought up that all carriers need the census files and are used today. PEHP role would not change very much but if there were manual overrides, this change will not be needed in the proposal. This process is almost complete, but needs to get eHealthApp in the loop. No calculation done by eHealthApp, the updated IRF/GRF's are just loaded into the system. Another conference call meeting scheduled to review with the work group and also the summary exhibit that will be sent back to carriers. Would like to have process approved no later than February RAB meeting to be in place for July renewal groups.

V. Kim Miller with United HealthCare

a. Underwriting Subcommittee Report

- i. Received final IRF/GRF for April renewals today. Because of holidays, not signing off but have come up with a different method to approve by the end of the month. Pending items are moving forward with in workgroup.

VI. Jim Murray with SelectHealth

a. No update.

VII. Nancy Askerlund with Insurance Department

a. No Update.

VIII. Next Meeting will be January 22, 2012 at 1:00 pm

IX. Meeting adjourned at 2:13 p.m.